



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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August 21, 2002

## CERTIFIED RETURN RECEIPT

7099 3400 0016 8895 5064

Ernie Ray Hale, President  
Sierra Stone, Inc.  
475 East Elm Street  
Oakley Idaho 83346

Re: **Findings and Mitigation of Non-Compliance, Sierra Stone Inc, Sierra Starlight Quarry,  
M/003/049, Box Elder County, Utah**

Dear Mr. Hale:

Thank you for meeting with the Division on August 20, 2002, to discuss the non-compliance and Division Directive of July 3, 2002, to suspend mining operations at your Sierra Starlight Quarry. As a result of the materials submitted and the items discussed, the following findings are made.

### **Findings:**

1. The operations at the Sierra Starlight Quarry are not in compliance with the Utah Mined Land Reclamation Act and the Division Minerals Program Rules, sections R647-1 through R647-5.
2. The operations have expanded beyond the 5-acre limit for a small mining operation without first having a large mining operation plan approved by the Division.
3. The operations have expanded beyond the 5-acre limit for a small mining operation without first having posted adequate reclamation surety with the Division.
4. Structures (roads) have been constructed or re-aligned without receiving prior approval by the Division.

5. Hazardous, or potentially hazardous materials (oil, fuel, and antifreeze) are stored onsite without secondary containment structures to control potential leaking or spills of these materials.

**Mitigation:**

To resolve these findings of non-compliance, the following mitigations were agreed to during our meeting:

1. Sierra Stone, Inc. has submitted a large mining operations Notice with the Division. The operator will continue plans to permit the Sierra Starlight Quarry as a large mining operation and will make timely responses to the Division's review of the permit.
2. By September 10, 2002, Sierra Stone, Inc. will reclaim the 2.3 acres of access road that was disturbed by snow removal activities during the 2001-2002 winter. Reclamation will consist of spreading soil materials that are piled up and seeding the area with an approved seed mix.
3. By September 10, 2002, Sierra Stone, Inc. will reclaim the 0.68- acre pad that was used to store equipment and stone located approximately 4,000 feet east-southeast of the Sierra Starlight Quarry. Reclamation will consist of removing any mining-related materials and equipment, lightly scarifying the area and seeding with an approved seed mix.
4. By September 10, 2002, Sierra Stone, Inc. will reclaim those portions of the old access road that were abandoned as a result of constructing switchbacks to reduce the grade of the road. Reclamation will consist of ripping the road surface to eliminate compaction, regrading cut and fill areas to blend into the surrounding topography, and seeding with an approved seed mix.
5. By September 10, 2002, Sierra Stone, Inc. will provide secondary containment structures that will hold a minimum of 110 percent of the volume of the storage tanks for the oil, fuel and antifreeze that are located on site.
6. Sierra Stone, Inc. will provide a transitional reclamation surety for the Sierra Starlight Quarry in the amount of \$33,000.00 (thirty three thousand dollars). It was agreed that an initial amount of \$12,000.00 (twelve thousand dollars) will be posted within 10 days (by September 1, 2002). An additional \$5,000.00 (five thousand dollars) will be posted every 3 months (by December 1, 2002, March 1, 2003, June 1, 2003 and July 1, 2003), with the last deposit being sufficient to bring the total surety amount to the full \$33,000.00 (given interest that would be accruing with the previously posted surety).

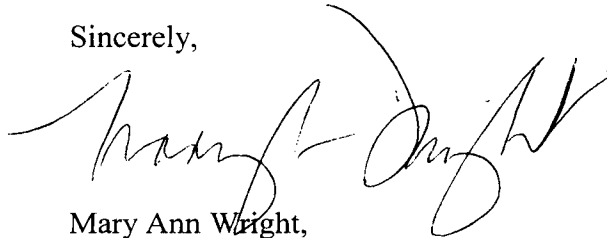
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Ernie Hale  
M/003/049  
August 21, 2002

Given these commitments as agreed to by signature, the following is authorized: the Division will allow reclamation activities to begin immediately. Quarrying activities may resume once the reclamation work outlined in mitigation items 2, 3, 4 and 5 are completed, and the operator has notified the Division that this work is completed. Also, evidence that the reclamation surety acquisition is progressing must be provided.

Please acknowledge your acceptance of the mitigation by signing below and returning a signed copy to the Division.

If you have any questions regarding this letter, or wish to discuss this matter further, please don't hesitate to contact me at (801) 538-5306, Wayne Hedberg at (801) 538-5286, or Lynn Kunzler at (801) 538-5310.

Sincerely,



Mary Ann Wright,  
Associate Director, Mining

jb  
cc: Wayne Hedberg, DOGM  
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**I agree to perform the mitigation as outlined.**

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Ernie Ray Hale, President  
Sierra Stone, Inc.

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Date